

CEDA

CENTRAL ECONOMIC
DEVELOPMENT AGENCY

Half Yearly Report to 31 December 2019



28 February 2020

Company Directory

Central Economic Development Agency Limited

Level 1, 478 Main Street
Palmerston North 4410

☎ 06 350 1830
🖱 CEDA.nz

Chief Executive

Linda Stewart

Directors

Malcolm Bailey (Chairperson)
Shamubeel Equb
Susan Foley
John Fowke
Lucy Griffiths
Blair O'Keeffe

Registered Office

Morrison Creed Advisory
First Floor/236 Broadway Avenue, Palmerston North

Bankers

Westpac New Zealand Ltd

Auditors

Audit New Zealand (on behalf of the Office of the Auditor General)

Legal Status

Central Economic Development Agency Limited ("CEDA") was incorporated in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatū District Council (50%) CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

Contents

Company Directory	2
Contents	3
Joint Report of Chairman and Chief Executive	4
Purpose of the Half Yearly Report	5
Our Vision	6
Our Strategic Objectives	8
What We Do	10
Attract, retain and develop talent in the region	11
Attract, retain and develop business and investment in the region	14
Profile the region to attract people, business and investment	20
Lead inclusive and sustainable economic development for the region	24
Statement of Service Performance	26
Monitoring Indicators	33
About CEDA	35
Financial Performance	36
Notes to Accounts	42
Partner Organisations	54

Joint Report of Chairman and Chief Executive

Tēnā Koutou Katoa

The CEDA team has been working hard to achieve the ambitious goals we have for our city and region. We are experiencing strong economic conditions, with the GDP for Manawatu up 2.4% for year to December 2019, which is ahead of the New Zealand average. This coupled with strong consumer spending over the past six months, double digit growth in house prices, and unemployment trending downwards, has seen business confidence hold firm, and therefore investment in the region has continued to grow. Further to this, Palmerston North city and the Manawātū district are strategically important for the lower North Island in terms of distribution and logistics as the New Zealand economy grows. We are working with our shareholding Councils to ensure that this inevitable growth is supported by Central Government support for the required development of our roading network.

The goal of further developing our leading agrifood hub to attaining a position in the world top three is progressing well. We launched the award-winning Manawātū Agritech Strategy and action plan in partnership with Sprout. This strategy and plan have been implemented at pace, involving many key partners such as Massey University, the Rural Innovation Lab and FoodHQ. This work supports, and is supported by, CEDA's increased focus on business and investment attraction, retention and expansion.

We have supported and invested in FoodHQ's growth and development plans as well as developing a three-year strategic plan for New Zealand AgriFood Week. To support these plans, we have leveraged the great lifestyle our region offers to face into a very competitive labour market across New Zealand. The ability to attract, retain and develop talent is a vital challenge that is not easing. As well as the more tried and tested approaches to addressing these issues, such as our work with Talent Central in our pathways to employment in the distribution and logistics sector, we have renewed our partnership agreement with Immigration New Zealand to provide support to our business community in the attraction of international talent.

To effectively work on these key opportunities and deliver results, CEDA has made some internal changes in 2019 to ensure we have the structure and capability to succeed.

Our work with Education New Zealand and our tertiary and secondary school partners has seen increased marketing activity in China and Japan, as well as commencing the development of employability resources and workshops for students and employers; increasing our profile amongst agents as an international destination of choice, and improving the opportunities to retain these students in our workforce and region.

We transitioned the Palmerston North City i-SITE along with the support services to the Feilding and Districts Information Centre back to their respective councils, which ensures greater integration of these valuable services within the communities they predominantly serve. Our relationship remains close as they are an important channel for our ongoing work as the Regional Tourism Organisation for Manawātū.

Looking forward to the next six months we are focused on delivering on projects of significance, from the freight hub and the transformation of Te Āpiti – Manawātū Gorge, through to New Zealand AgriFood Week, the Sort It Careers Expo and programmes of work from the Manawātū Destination Management plan.

Our ongoing work with our shareholders, iwi and stakeholders such as The Factory, Sprout, FoodHQ, Massey University, UCOL and IPU New Zealand will continue to be crucial, and we value and appreciate these highly productive relationships.

Ngā mihi nui ki a koutou katoua,



Malcolm Bailey
Chairperson



Linda Stewart
Chief Executive

"We are focused on delivering on projects of significance"



Purpose of the Half Yearly Report

This Half Yearly Report is presented by Central Economic Development Agency Limited (CEDA) in accordance with the requirements of Section 64(1) of the Local Government Act 2002 (LGA 2002).

In accordance with the Local Government Act 2002, this report publicly states the activities and progress for the year to date against objectives set in the CEDA Statement of Intent for the 2019-20 financial year.



Our Vision

Manawatū 2025; New Zealand's most progressive region

Our vision is bold and purposefully so, it encompasses the ambitions of both our shareholder Councils. It requires our region to move from comfortable to ambitious, from reactive to future focused, and to move with an increased cadence and sense of resolve. We believe that Manawatū has the leadership and the ingredients to reposition itself on the national stage - a vibrant and innovative region that will be first choice for talent, business and investment.

Three key indicators that show we are on our way to achieving this vision are:



Manawatū is recognised as one of the top three agrifood hubs in the world



Manawatū is a leading distribution hub, and leverages off its role in central New Zealand



Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business and talent

To achieve this vision CEDA must work in partnership with our shareholders, central government, Māori, local iwi, industry and other regional stakeholders - it cannot be achieved alone.

Our Strategic Objectives

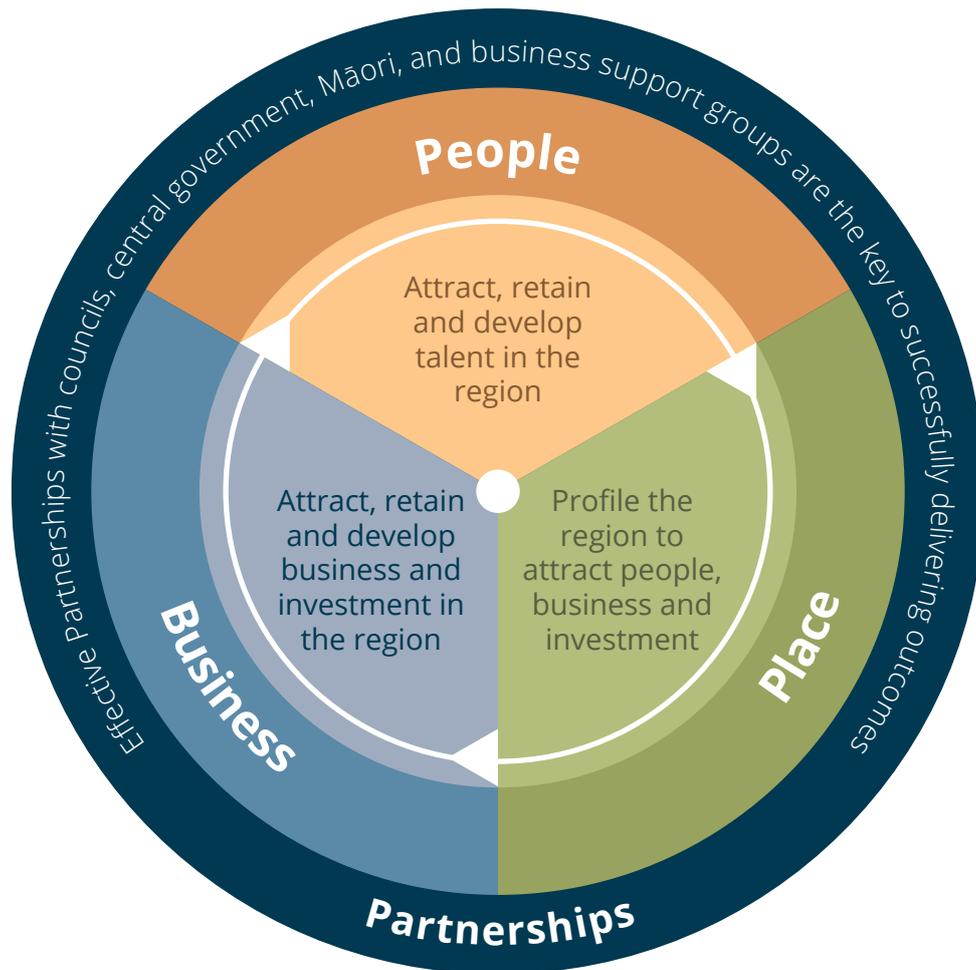
Powering our progress; achieving the vision

CEDA works across three strategic pillars of economic development; People, Place and Business, and our success is underpinned and enabled by the strength of our relationships with regional and national partners. Our core objectives, programmes and activities are all aligned to these pillars, and are designed to create the environment, stimulus, outcomes and impact that will power our economic prosperity and achieve our vision for Palmerston North city and Manawātū district.

These key objectives guide the development of the short and medium-term programmes of work for CEDA as articulated through the Statement of Intent for 2019/20.

When considering how to prioritise our efforts, and based on our current resources and functions, CEDA focuses on programmes and activities that offer the greatest opportunities for economic growth.

These are identified through research, monitored and reviewed using the latest data, and viewed through a regional, national and international lens.





What We Do



Attract, retain and develop talent in the region

We know that the biggest barrier to business growth is access to the right talent and skills; to retain and develop those that we have, as well as attracting more. We also know that we're in a global competition for talent, so the importance of having a strategic and targeted approach has never been more important.

Developing the talent pipeline to grow a skilled workforce and better utilise the existing labour market

Ensuring we have the right talent and skills in the region is critical in ensuring Manawatū is positioning itself as one of the top three agrifood hubs in the world and cementing our strength as a distribution and logistics hub.

It's not just about attracting more people to our region; it's also about developing the talent and skills that are already here, and where, as a region we need it most, both now and into the future.

Regional skills gaps – addressing the challenges

Connectedness to the labour market and community in the region is key to ensuring we're across the challenges, opportunities and trends of talent attraction into our region while also driving a collaborative and cohesive approach to communicating the region's strengths and profiling success stories of new residents to the region through video and digital channels. A Talent and Skills working group has been developed with key business, education and community (iwi and Pasifika) stakeholders from the Manawatū. to allow for this collaboration and facilitate information into, and communication outcomes from, the wider Accelerate25 Regional Working Group which CEDA is a member of.

We continue to work under our Regional Partnership Agreement with the Ministry of Business Innovation and Employment to provide an additional lever to connect businesses with the international talent and skills they need via immigration to meet immediate skills pressures in the short term.

Employment Opportunities

To further support the attraction of tertiary students to the Manawatū, CEDA has partnered with NxtStep, a leading New Zealand graduate employment and careers platform. This partnership has resulted in the development of a dedicated Manawatū recruitment website, manawatu.nxtstep.co.nz, which features Manawatū specific employers and employment opportunities, and highlights the lifestyle and career opportunities in the city and region.

Developing the skills in our region and supporting job opportunity connections

CEDA has been working in partnership with the National Driver Training Centre, Talent Central and through the Accelerate25 Talent and Skills committee to support the establishment and development of the National Driver Training Centre and employment hub – designed to connect those seeking training and employment in distribution, logistics, and civil construction with a workplace brokering service.

Sort It Careers Expo

The Sort It Careers Expo aims to encourage secondary school students, those returning to work or newly relocated to the region, and those looking for a change of direction to explore the different types of skills and positions available to them by engaging with industries and businesses directly. For many, the Expo can fuel or re-ignite a passion for their current or future career pathways. A new website for sortexpo.co.nz has been developed and launched for the May 2020 expo.

Te Aho Tāmaka

The aim of the Te Aho Tāmaka Manawatū Leaders programme is to profile and connect Manawatū's most illustrious leaders across all fields – academia, business, arts, sport, culture, technology, theology and more, with local opportunities and talent, and to build a global network of leaders and advocates whose journeys are connected to our region.

Four new leaders have been confirmed as Te Aho Tāmaka leaders and were recognised and celebrated at an event in December.

Understanding the future of work and preparing our region for change

As a region we need to better understand what the future of work in Manawatū will look like and therefore what skills we will need for our future prosperity. Research into what best practice in developing a future of work project is underway.

NxtStep Manawatū

Regional Student Employment Website Launched

Immigration NZ

Regional Partnership Agreement renewed

Sort It website

Redeveloped and launched

4

New Te Aho Tāmaka Manawatū Leaders confirmed

Japan

School visit and Agent engagement
in partnership with Education NZ

Employability Study

Project commenced





Deliver information, advice, programmes and initiatives to attract more international students to the region

In building a pipeline of talent in the region, we have the ability to attract this talent not only nationally, but also internationally, to contribute not only to the economic benefit that international students bring to the region, but also in assisting with addressing skills gaps that we may have in the region.

Increase the value of international students in the region

Through the implementation of the Regional International Education Strategy 2016-2020, CEDA supports the region's schools and tertiary providers to increase the number of international students studying here and the economic value that they add to the city and district.

CEDA in partnership with Education New Zealand accompanied three teaching institutions to Japan to engage in school seminars and grow education relationships in Tokyo.

A digital campaign was run, in conjunction with Education International Coordination (EIC) Group China, to recruit students to and market Manawatū as a study destination. UCOL, IPU New Zealand and Massey University were able to present their unique study opportunities direct to students in China, while a 'demo class' was filmed at Feilding High School to illustrate what a real-life classroom is like in New Zealand.

This enables us to position Manawatū's strengths and points of difference from other regions and enable greater impact through visual media that is able to be viewed online in China.

Enhance the experience of international students

To further enhance the desirability of Palmerston North and Manawatū as a study destination, CEDA works alongside education institutions, PNCC and other key stakeholders to identify opportunities to help integrate international students into the local community, supporting Mayoral Welcomes and student connect events. Two events were held with over 190 students attending in total.

An application for funding through the International Student Wellbeing Strategy has been completed to enable a dedicated resource to manage cross institutional engagement activities as well as fund additional events. We will learn the results of the application in early 2020.

Increase the employability of international students

Employability and Pathways to Employment is an initiative designed to make our city and region a more attractive place to study. In partnership with Education New Zealand and Ministry of Business, Innovation and Employment, CEDA has commenced a central regions employability project to create opportunities for increased pathways into local employment. CEDA is working with the central regions (Venture Taranaki Trust and Whanganui and Partners) to create employability resources and implement workshops for international students and local employers. Learning Works have been contracted to complete these resources, via funding CEDA has secured through Education New Zealand.

Attract, retain and develop business and investment in the region

Attracting and retaining business and investment in the region is at the core of economic development. Our city and district have a strong competitive edge; our central location, comparatively affordable land and development costs, a diverse labour pool, and a growing culture of innovation and entrepreneurship. Manawatū is well positioned to begin to actively promote itself as an attractive, investment ready destination both in New Zealand and offshore.

Support our sectors of strength to grow through targeted business development actions, retention initiatives and activities

Critical to the growth of our city and region is our sectors of strength, and strategic management and development of these sectors is important to future proofing our economy and region. With growth comes opportunities and challenges, so a targeted and cohesive approach to education, agrifood and tech, the visitor economy and distribution and logistics sector, ensures that as a region we're well positioned to leverage the growth, with the right talent in place, our competitive advantages leveraged and our economy positioned to maximise the opportunity.

Our strengths as a city and region make us the leading agrifood hub in New Zealand and a key centre for distribution and logistics, and leveraging these strengths is important to maximise the growth potential in the region.

Support opportunities for growth

Destination Management Plan

A strategic framework for the visitor sector was developed in 2018/19 in partnership with Palmerston North City Council and Manawatū District Council, iwi and key stakeholders in the region, creating a shared vision and goals for the regions' visitor sector through to 2030 that formed the basis of Manawatū's Destination Management Plan.

Implementation and refinement of the Destination Management Plan is now underway, with the action plan currently being developed to identify roles, responsibilities and opportunities. This work is being done in partnership with key stakeholders and iwi in the region.

Core components of the Plan are already underway including destination marketing activities, including the development of the Regional Identity and regional stories project, the continued development of The Country Road programme, visitor trade and industry partnerships and our core functions as the Regional Tourism Organisation for Palmerston North and Manawatū.





Agritech Strategy

With a history of innovation in agritech products and services, it is important for Manawatū to strategically build on the sector's strengths to position the region as a world-leading agritech hub, and establish Manawatū as a source of expertise grounded in New Zealand, with an international profile and opportunities.

With the Agritech Strategy finalised, CEDA is leading the implementation of the 3-year plan with our key partners Sprout, under the Roaming Networker¹ programme, and the Sprout Accelerator. Delivery is also underway through Massey University (Horticulture Immersion Programme), Rural Innovation Lab and FoodHQ. Further implementation includes CEDA's development of a Primary Industries Sector Spotlight at Sort It Careers Expo, and the development of a value proposition and communications plan to raise the profile of our region's strengths and capabilities nationally and internationally.

New Zealand AgriFood Week

New Zealand AgriFood Week sits at the intersection of agriculture, science and technology, and is a unique coming together of diverse fields to facilitate future-focused conversations between leading players throughout the entire value chain. The week-long event hosted in Manawatū provides thought-provoking discussions that delve into the opportunities and challenges faced by our food sector, inspiring the next generation of farmers, scientists, innovators and consumers.

A 3-year Foundational Strategy for New Zealand AgriFood Week has been developed to ensure alignment with the development of the Manawatū Agritech Strategy, setting a clear roadmap for the future of the Week to become a national, then global event. The Week is a catalyst in achieving our ambitious vision of becoming a top three global agrifood hub, so ensuring that we have a cohesive, strong and collective strategy with our stakeholders is critical.

Award Winning Agritech Strategy

Implementation commenced
EDNZ Best Practise Award

NZ AgriFood Week

3-Year strategy developed
in partnership with key stakeholders

¹ The Roaming Networker is a market intelligence gathering service on regional agritech activity, including investments, R&D, research published and new products launched

*YTD figures are reported against full year figures from the previous years annual report

Develop and grow business

CEDA delivers the Regional Business Partners Programme on behalf of New Zealand Trade and Enterprise, Callaghan Innovation and Business Mentors New Zealand. The programme enables CEDA to work closely with central government to ensure businesses have access to high quality and practical business mentoring services, targeted and strategic co-funding schemes aimed at capability development, and research and development assistance that helps to convert ideas into innovation.

CEDA also provides general business advice and support; from those looking to start up a business through to more established businesses across all sectors of our economy including opportunities for Māori business.

Further to this, CEDA works to connect and facilitate relationships and expertise through a wide range of initiatives throughout the region, including Accelerate25, and the Provincial Growth Fund.

CEDA has assisted 235 businesses to develop and grow over the period including 157 businesses through the Regional Business Partner Programme with \$131,000 in business development training vouchers issued, and 17 businesses matched with a business mentor.

Facilitate access to specialist innovation, business development and startup expertise

Through the delivery of startup workshops and innovation support, CEDA helps to get people informed, connects ideas to people in the right regional or national organisations, including The Factory, our local business incubator, and the Manawatū Chamber of Commerce. Five startup workshops have been held.

The Factory Partnership

Our partnership with The Factory ensures a strong connection with the innovation and entrepreneurial centre of our region in supporting businesses to scale up. CEDA also supports the global accelerator programme, Sprout, which grows the next generation of agrifood and agritech startups. CEDA participated in the Sprout Accelerator Cohort selection process which adjudicated 28 agritech innovation businesses or startups.

The Factory Innovate Programme that helps turn ideas or innovative startups into businesses attracted 74 entries, with eight businesses being selected to go through the accelerator programme, of which CEDA provided mentoring, including to the winner.

Callaghan Innovation

Through the Regional Business Partner Programme, we provide research and development assistance by facilitating access to grants and expertise through Callaghan Innovation, Massey University and Crown Research Institutes. A total of \$598,646 in Research and Development Grants have been issued to businesses.

235

Business assisted through a CEDA intervention
(2018/19 Annual Report total 495*)

\$131,627

Business Capability Development vouchers issued
(2018/19 Annual Report total \$266,593*)

17

Businesses matched with a Business Mentor
(2018/19 Annual Report total 48*)

5

Startup workshops held
(2018/19 Annual Report total 11*)

74

Innovation startups entered Innovate 2019
(2018/19 Annual Report total 91*)

\$598,646

Research & Development Grants issued to businesses
(2018/19 Annual Report total \$1,599,433*)

30

**Research and development student experience,
fellowship or career grants facilitated, linking tertiary
students directly to businesses**
(2018/19 Annual Report total 30*)



*YTD figures are reported against full year figures from the previous years annual report

Attract business and investment to the region

To ensure we're strategically targeting investment and profiling the region nationally and globally in a way that establishes the region as a magnet for investment, business and talent, CEDA's work is based on data and insights to ensure we're across any barriers, opportunities and key drivers to inform our work.

Quantitative research has been commenced in partnership with Colmar Brunton to ensure we're developing the right resources and value propositions to position our city and region. This research will ensure we're well positioned to capitalise on the significant growth trajectory of investment that our city and region is experiencing.

Our investment work is strongly focussed on investment facilitation which includes working on the delivery of key projects in the investment pipeline targeted to the regions sectors of strength.

Inward investment strategy implementation

Building on the development of Manawatū's Inward Investment Strategy and implementation plan in 2018/19, CEDA has now moved into the delivery phase, driving the profile of our region nationally and internationally through the development of a regional investment profile which will be completed this year in partnership with our shareholders, regional stakeholders and partners New Zealand Trade and Enterprise, and relevant commercial parties.

Investment Opportunities

CEDA continues to leverage our relationships with central government, with an emphasis on the Ministry of Business, Innovation and Employment and the Provincial Development Unit, New Zealand Trade and Enterprise and Immigration New Zealand, as well as other regional influencers including our education institutions, Accelerate25, Te Pae Tawhiti and Manawatū Chamber of Commerce to seek out and target prospective investors and business relocation opportunities.

Detailed work on the inward investment pipeline is on-going. Key projects include the KiwiRail Freight Hub, a potential investment in hydrogen technology, the Bio-forestry initiative (which has attracted \$380,000 of investment from the Provincial Growth Fund) and investment interest by a bio-pharmaceutical company.

Key Infrastructure Projects

CEDA is supporting key infrastructure projects in the region namely the Central New Zealand Logistics Strategy which includes the KiwiRail regional freight initiative and the ring road development.

Te Āpiti Tourism Opportunity

After a successful application to the Provincial Growth Fund for Te Āpiti Tourism development project, the feasibility study for the project has now been completed, including a preliminary evaluation of the tourism development opportunity, and an indication of potential opportunities and outcomes. The purpose of this project was to investigate the potential to transform Te Āpiti - Manawatū Gorge into an iconic tourism destination, offering a number of high-quality visitor experiences. A subsequent application for capability funding has been submitted for business case development.

Attraction of conferences and business events

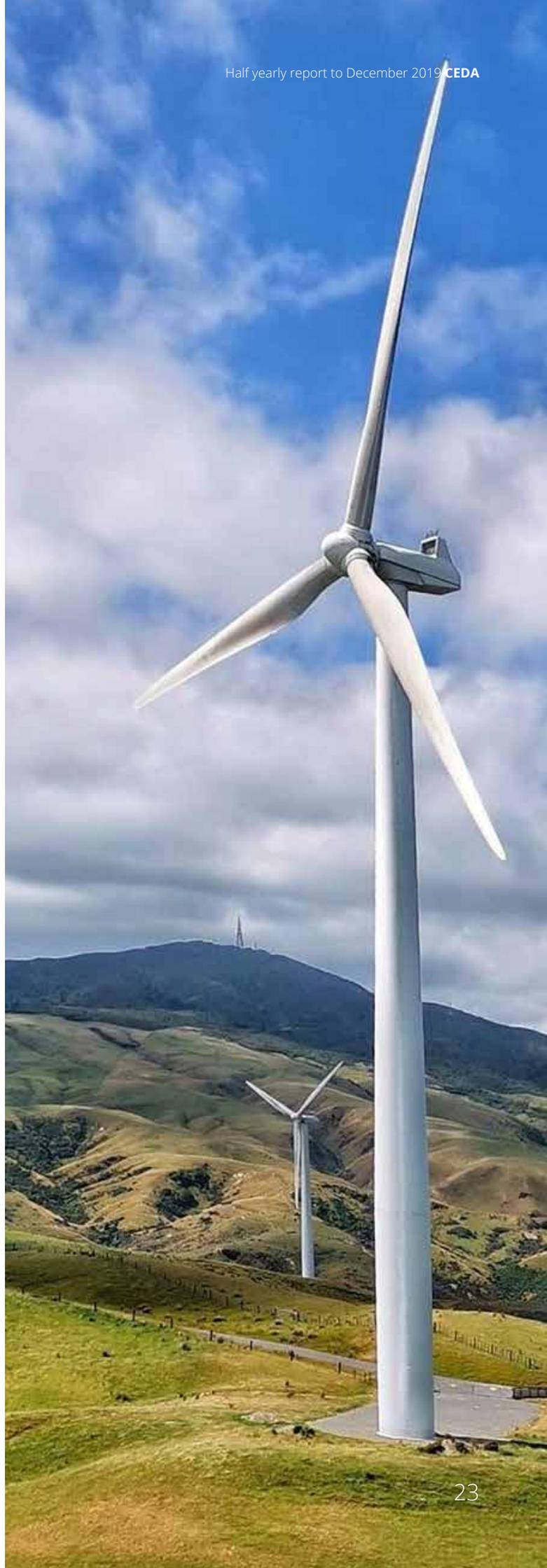
The attraction of conference and business events to Palmerston North city and Manawatū district works to profile our region as a great place to do business, adds significant economic benefit, and builds connections with national organisations. CEDA is focused on the development of a pipeline of potential conferences and business events within our sectors of strength.

Four conference bids have been submitted or supported and two bids have been won in the year to date. In addition, research on the conference sector has been initiated to understand best practice within New Zealand.

The development of a standardised conference bid template is underway to ensure that collaborative bids submitted from the region are competitive, compelling and build a strong cohesive profile of our offerings as a conference destination.

Te Āpiti

Tourism Opportunity Feasibility Study Completed



Profile the region to attract people, business and investment

Raising the profile of the region to highlight our strengths, our people and our places through targeted storytelling and partnerships will ensure Palmerston North city and Manawatū district are known for their distinctive and compelling proposition and benefits. CEDA will lead the narrative of the city and district through the Regional Identity which will underpin our work across people, place and business and will enable us to target key audiences under one consistent rhetoric – dialed up or down to meet the needs of each target audience.

Profile Palmerston North city and Manawatū district locally, nationally and globally

To achieve our goal of ensuring that Manawatū is renowned for its exceptional lifestyle, competitive advantages, and is a magnet for investment, business and talent we must focus our efforts on profiling the regions strengths, successes and vibrancy through our media partnerships and storytelling.

In our role as the Regional Tourism Organisation for Palmerston North and Manawatū, CEDA works with key national organisations including Tourism New Zealand, NZ Motor Caravan Association, Air New Zealand and more to ensure we're maximising our relationships and opportunities as a region while establishing Manawatū as a desirable destination.

With a fast-growing visitor sector in Manawatū, CEDA works with regional tourism operators to provide connections into the national visitor sector industry, marketing tools and market insights through the CEDA Resource Hub, workshops and communications.

CEDA's relationships with national visitor sector and media ensure that we can support the marketing of key events, ensuring the region is profiled for its vibrancy and its variety of events

and activities. CEDA's digital channels, along with our partnerships with national media, mean we can target potential residents and visitors, as well as local audiences.

Lead and develop stories of Manawatū

CEDA works with our shareholders, local iwi and stakeholders to collectively profile the region and build momentum and awareness of the city and district. Our target audiences include prospective investors, students and education agents, new and current businesses, potential residents, current residents, and visitors. Twelve new Manawatū stories were created and published through ManawatuNZ.co.nz in the last six-months, in a new dedicated content hub created to profile our city and region's businesses, people and places.

The second phase of Regional Identity research has been undertaken with Colmar Brunton. This research focused on potential residents and talent, existing residents and businesses and potential investors for the city and region.



Lead the creation of regional content

Our work with local, national and international media ensures a strong and consistent regional presence across all traditional and digital channels.

We leverage existing media relationships and proactively pitch stories and features to national and local media organisations and publications. Twenty two direct media features on the city and region were published, including Kia Ora Magazine event features and the Manawatū Agritech Strategy gaining significant national coverage for the region including Newshub and Rural Exchange features.

This work is critical in building our profile not only as a brilliant place to live and work, but as a top three global agrifood hub, and in positioning our region as a leading distribution hub with a strong economy.

Extensive international media coverage has also been secured through our partnership with Tourism New Zealand, including several digital travel stories featuring the New Zealand Rugby Museum in the lead up to the Rugby World Cup in Japan.

Grow engagement on digital platforms to increase awareness and promotion of the region

Digital marketing plays a key role in connecting with our main audiences and raising the profile of our city and district across multiple platforms, from our regional social media channels and the regional website ManawatuNZ.co.nz, through to partner websites and national platforms.

A focus on new content has been underway to increase traffic and engagement on ManawatuNZ.co.nz with new stories and content added to the site and a revised Live & Work webpage completed.

Regional Identity

Phase two research completed

22

Direct Media Features published on the region

The AM Show

Move to Manawatū campaign featured

6

Indirect Media Features published on the region

87,959

Unique visitors on ManawatuNZ.co.nz website
(2018/19 Annual Report total 175,688*)

4,408

Instagram followers
(2018/19 Annual Report total 3,850*)

12,173

ManawatuNZ Facebook page likes
(2018/19 Annual Report total 11,480*)

9,789

MyManawatu Facebook page likes
(2018/19 Annual Report total 9,487*)

*YTD figures are reported against full year figures from the previous years annual report



Lead inclusive and sustainable economic development for the region

Underpinning everything that we do is relationships and partnerships, with key regional and national stakeholders, central and local government, Māori and local iwi. We take the lead on ensuring a cohesive approach across Palmerston North and Manawatū harnessing our collective capabilities to achieve the vision and goals of the region.

Develop strategic partner relationships, leveraging opportunities

CEDA's work cannot be done in isolation, and the strengths of our region rely on working together to use our combined strengths, connections and skills to compete nationally and globally.

Strategic partnerships

Collaboration and partnerships are critical to ensuring the best outcomes for the city and district, and CEDA's role in bringing our diverse stakeholders into one conversation, steering others in the same direction, and co-ordinating our region's collective capability is key to achieving the vision and goals for the region.

CEDA holds strategic relationships with other regions and national organisations, to leverage mutual opportunities, and has formalised agreements with organisations such as New Zealand Trade & Enterprise, Callaghan Innovation, The Factory, Sprout Accelerator, Manawatū Chamber of Commerce, Talent Central and Immigration New Zealand.

We continue to work with businesses that identify as Māori via our Regional Business Partners Network, and our focus is to have built on this through the implementation of our Māori sector development plan.

With the appointment of a Māori Liaison Manager, CEDA is focusing on developing relationships and the capability of the team, as well as a bilingual approach to internal and external communications.

Along with working on the implementation of CEDA's iwi engagement plan we continue to work collaboratively with regional iwi through our strategic projects including the Destination Management Plan, Te Āpiti Tourism Initiative, partnership development with Rangitāne o Manawatū and ongoing relationships with iwi and Māori in the region.

Data and Insights

CEDA are the experts for data and insights on the local economy and national trends across priority sectors including the visitor economy. We have a crucial role in enabling the coordination, connection and delivery of outcomes by striving for the transparency and alignment of the many economic development projects and initiatives that are underway or planned across our region.

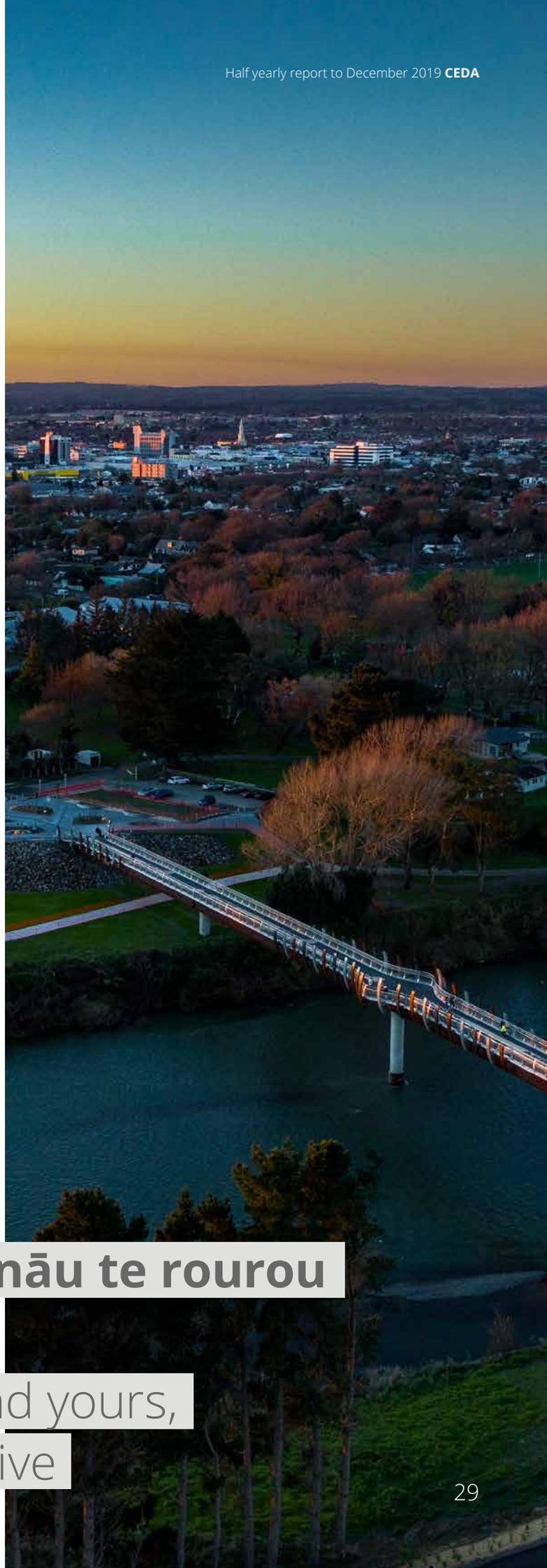
Data and insights are regularly communicated to our stakeholders through economic impact events, 60 Seconds (e-newsletter) and quarterly economic updates. This includes information from the visitor and retail sectors, our sectors of strength and key growth indicators such as GDP, population, housing prices, consents, visitor spend and more, to enable our businesses and communities to better understand what's happening in the local economy.

Business Community Research

In 2016 we undertook research within the business community, seeking to understand their views on the opportunities and barriers to business growth in Manawatū. We are repeating this research this year, with research undertaken in November and December. Results are currently being collated.

**Nāku te rourou nāu te rourou
ka ora ai te iwi**

With my basket and yours,
the people will thrive



Statement of Service Performance

CEDA's performance measure framework identifies quantifiable measures of our programmes and activities aligned to our key strategic outcomes. Performance measures and outcomes to December 2019:

1. Attract, retain and develop talent in the region

Service Level Statement	Performance Measure	2019/20	Outputs/achievements Jul - Dec 19
Develop the talent pipeline to grow a skilled workforce, and better utilise the existing labour market	Implementation of the action plan as a result of the regional skills gap analysis	Talent attraction and retention strategy and action plan developed, and implementation initiated	<p>CEDA has developed a Manawatū Talent and Skills Working Group, with key business and community stakeholders. CEDA also contributes to the wider Manawatū-Whanganui Talent and Skills Working Group, convened by Accelerate25.</p> <p>NxtStep - a leading NZ graduate employment and careers platform - partnership commenced, and dedicated website launched, to highlight career opportunities that exist in Manawatū - manawatu.nxtstep.co.nz.</p> <p>CEDA's CEO appointed as chair of the New Zealand Institute of Skills and Technology Employer and Community Engagement Working Group.</p> <p>CEDA supported the Young Enterprise Scheme, encouraging students into entrepreneurship, providing mentorship and judging of the programme.</p> <p>CEDA provided support to UCOL sponsoring the Freemasons Willson Lewis Scholarship for trades.</p> <p>Immigration New Zealand Regional Partnership Agreement renewed.</p>
	Driving the development of skills in the region and supporting linkages to job opportunities	<p>Support provided to the development of the National Driving Training Centre and Talent Central employment hub</p> <p>Deliver the Sort It Careers Expo with 70+ exhibitors</p>	<p>Funding provided to Talent Central to support the National Driver Training Centre and the employment hub.</p> <p>Sort It Careers Expo new website launched.</p> <p>Application to the Ministry of Education submitted for funding of a new aspect to the Sort It Careers Expo - "Where's My Job?" that will focus on getting our young and unemployed people into employment, particularly through earn and learn pathways.</p>

Attract, retain and develop talent in the region

Service Level Statement	Performance Measure	2019/20	Outputs/achievements Jul – Dec 19
		Deliver 5 key engagement activities through Te Aho Tāmaka	Four new Te Aho Tāmaka Leaders inducted into programme. A mentoring engagement between a Te Aho Tāmaka leader and a local business has been completed.
	Understanding of the future of work in the region and how best to prepare the region for change	Develop a Manawatū future of work project, in collaboration with Massey University, UCOL, employers and Infometrics	Research into best practice completed. Additional work is planned to commence in July 2020.
Deliver information, advice, programmes and initiatives to attract more international students to the region	Increase the value of international students in the region	Implement annual workplan as agreed with the International Education Leadership Group	International Education Lead Group meetings held, with International Education Strategy to 2020 under review. CEDA accompanied two high schools (Awatapu College and Nga Tawa Diocesan School) and English Teaching College on a visit to Japan to attend ENZ organised school seminars in Osaka and Tokyo and an Agent Networking event at the New Zealand Embassy in Tokyo. CEDA ran a digital campaign in collaboration with Education International Cooperation (EIC) Group, China, marketing Manawatū as a great place to study and live to Chinese students considering studying in New Zealand.
	Enhance the experience of international students while they are here	Deliver 6 cross institutional engagement activities	Mayoral Welcome delivered in partnership with PNCC and Welcoming Communities. A Student Connect Event was held in November in conjunction with the Student Experience Working Group for Guy Fawkes. Approx. 120 students from Massey University, UCOL, IPU New Zealand and various secondary schools attended. Students via survey rated the event 4.9 out of 5. Application for funding completed through the International Student Wellbeing Strategy to appoint a resource to manage cross institutional engagement activities as well as fund additional events.
	Increase the employability of international students	Deliver employability workshop(s) with 100+ International tertiary student participation Individually assist 20+ students into local employment opportunities	Employability study project implementation commenced with the appointment of a key contractor. CEDA is working with the central regions (Venture Taranaki Trust, Whanganui and Partners, and Study Hawke's Bay) to create employability resources and implement workshops for international students and local employers.

2. Attract, retain and develop business and investment in the region

Service Level Statement	Performance Measure	2019/20	Outputs/achievements Jul – Dec 19
Support our sectors of strength to grow through targeted business development and retention initiatives and activities	Assess and support opportunities for growth through key business engagement, cluster development and sector strategies and relationships with Māori	Implement the Visitor and Agritech sector strategies	<p>Destination Management Plan framework completed following community and iwi input. Product development for trade underway with product clusters identified and first workshop undertaken.</p> <p>Agritech Strategy completed and implementation commenced with The Factory on the 3-year implementation plan including:</p> <ul style="list-style-type: none"> Establishing a Primary Industries Sector Spotlight at Sort It 2020 Roaming networker commenced with Sprout Global agrifood hub communications planning commenced, including national media coverage of the Agritech Strategy launch and National Business Review feature interview Transformation initiative – participation in the selection process to nominate a winner in the Agritech Innovation category.
		Deliver NZ AgriFood Week, 3 CEDA ag sector events. Event stakeholder satisfaction of 80%*	NZ AgriFood Week 3-year Foundational Strategy has been completed to ensure alignment with the development of the agritech sector.
		Increase in Pint of Science partnerships (events delivered externally) from 2018/19	Review completed and planning for Pint of Science 2020 initiated. Event and marketing plans underway.
Develop and grow businesses by delivering information, advice, and support		400 businesses supported to grow through the Regional Business Partner Programme** (15 businesses that identify as Māori)	<p>157 businesses supported YTD, including 8 business that identify as Māori.</p> <p>17 Mentor Matches made through the Business Mentors New Zealand programme in partnership with the Manawatu Chamber of Commerce.</p> <p>A regional business mentor drive has resulted in 7 new mentors joining the Business Mentors New Zealand programme.</p>
		150 businesses assisted through CEDA's additional support services including access to government support/funding	<p>78 businesses assisted to end of December including a Lean Workshop, Innovation Ecosystem breakfast and Refresh Your Business Strategy in conjunction with PNCC City Planning.</p> <p>Business support brochure developed to promote CEDA support services to business.</p> <p>CEDA and Naylor Lawrence Associates joint presentation to construction sector.</p> <p>CEDA also provided sponsorship of the Feilding Business Awards – Leading New and Emerging Business Award.</p>

Service Level Statement	Performance Measure	2019/20	Outputs/achievements Jul - Dec 19
	Facilitate access to specialist innovation, business development and start-up expertise	<p>Deliver 10 Start-up clinics to support new business</p> <p>40 referrals to the Chamber of Commerce and The Factory</p> <p>Attraction of 90 start-ups to enter the Innovate programme supporting 7 businesses to start or accelerate</p> <p>Support provided to The Factory 'Sprout' Agritech Accelerator</p>	<p>5 Startup workshops held</p> <p>5 referrals made to The Factory and Manawatū Chamber of Commerce.</p> <p>74 startups were attracted to enter the 2019 Innovate programme, with 8 businesses selected to complete the 12-week accelerate programme.</p> <p>CEDA also provided support and mentoring for a finalist business.</p> <p>Funding provided to The Factory to support the 'Sprout' Agritech Accelerator. CEDA also participated in the Sprout Accelerator Cohort selection process.</p> <p>CEDA supported Brave New Thinkers, developing entrepreneurial young talent for Manawatū, during New Zealand Business Week.</p>
Attract business and investment to the region	<p>Implementation of Inward Investment strategy with regional partners, targeting the Agriculture, and Distribution and Logistics sectors</p> <p>Attraction of Conference and Business Events that bring economic benefit to the region</p>	<p>Investment profile for the region developed and investment ready opportunities identified</p> <p>12 bids prepared/ supported with a 30% success rate***</p>	<p>Detailed work on the inward investment pipeline is underway with allocation of potential investors and projects completed and engagements underway.</p> <p>CEDA is supporting key regional infrastructure projects KiwiRail logistics hub and the Ring Road project.</p> <p>Te Āpiti - Manawatū Gorge Tourism Potential feasibility study was completed. An application for capability funding has been submitted to the Provincial Growth Fund to progress next steps, and develop a business plan.</p> <p>Four bids submitted/supported and two bids won (one from previous years bid)</p> <p>- Waves Conference August 2020 and New Zealand Airport Conference 2020.</p> <p>Research and engagement with key stakeholders (including Massey University) undertaken with a view to developing a Conference and Business Events Strategy.</p> <p>CEDA profiled the city as a key conference destination at the Australasian Society of Association Executives (AuSAE Linc 2019) conference, which resulted in 8 direct engagements and 1 lead which led to the submission of a conference bid.</p> <p>Refreshed, targeted Bid document template to attract conferences and business events being developed, including stakeholder testing and competitor benchmarking.</p>

* Key specified partners to CEDA that are involved with the support of or delivery of events for the Week.

** Dependent on continued government funding for the Regional Business Partner programme.

*** Calculated as wins divided by wins plus losses (bids pending, cancelled or unsubmitted, not included).

3. Profile the region to attract people, business and investment

Service Level Statement	Performance Measure	2019/20	Outputs/achievements Jul – Dec 19
Profile Manawatū locally, nationally and globally	Lead and develop the stories of Manawatū, creating a narrative and a unified positioning, incorporating the cultural heritage of iwi.	Implement the Regional Identity project outcomes	The second phase of Regional Identity research has been undertaken with Colmar Brunton, focused on potential residents and talent, existing residents and businesses and potential investors.
	Lead the creation of quality, targeted regional content for distribution on owned and third-party platforms, working with media partners to showcase our region's strengths.	18 direct media features profiling the region	22 direct media features of the city and region were achieved, including Kia Ora Magazine event features, and stories on Newshub and Rural Exchange. An additional 6 features were achieved indirectly, and extensive coverage through Tourism New Zealand is also underway.
	Grow engagement on regional web and digital platforms for increased promotion of and information on the region	10% increase in 'sessions' on ManawatūNZ.co.nz 10% increase in social media engagement across all channels	ManawatuNZ.co.nz has had a 4.14% increase on 'sessions' year to date Palmerston North City & Manawatū Facebook followers up 6% year to date. My Manawatū Facebook followers up 3% year to date. Manawatū NZ Instagram followers up 14% year to date.

4. Lead inclusive and sustainable economic development for the region

Service Level Statement	Performance Measure	2019/20	Outputs/achievements Jul – Dec 19
Develop strategic partner relationships, leveraging opportunities	Continue to build on relationships with shareholders, central government agencies, key regional stakeholders, local iwi and Māori, and business support groups through the stakeholder engagement plan	Customer satisfaction survey increase on previous % of satisfaction Partnership and workplans agreed and actioned as appropriate	Customer satisfaction survey to be completed at the end of the financial year. Partnership Agreements entered into with Manawatū Chamber of Commerce, Immigration New Zealand, Sprout, The Factory and Talent Central. Rangitāne o Manawatū engagement working group set up to commence in 2020. CEDA Frequently Asked Questions information sheet developed and shared with PNCC and MDC elected members and stakeholders.
Data and insights communications on the performance of the region's economy	Undertake research 3 years on from 2016 survey to measure the pulse of the local business community and inform current and future projects.	Research undertaken, and results reported by end of February 2020	Research undertaken in November and December and preliminary results received.
	Quarterly economic updates provided in conjunction with shareholders	4 economic updates provided to stakeholders	Economic Updates completed for July and September.
	Economic update events to inform and create discussion on topics of relevance	2 economic update events held	Manawatū Growth Series Event held – Manawatū's Journey to being a top global agrifood hub - follow-up article published on CEDA.nz and distributed via 60 Seconds.
Work plan aligned to delivery of Statement of Service Performance	Development of Business Plan with outcomes on delivery of the Statement of Intent	Business Plan developed and delivered to shareholders by 31 October****	Business Plan developed and delivered to shareholders.

**** Dependent on Statement of Intent being signed off by 30 June 2019.



Monitoring Indicators

In addition to our performance measures, the Shareholders have identified a further set of monitoring indicators. These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our control, for example; exchange rates, natural disasters, government policy. As the region's economic development agency, we have a role in monitoring and influencing these indicators where we can, however we do not measure the performance of our organisation against them.

The Councils have the responsibility to report on these indicators.

Indicator	2020	2021	2022	Regional target*
Change in total number of jobs	1.9% increase	1.9% increase	1.9% increase	1.9% average annual increase over three years.
Change in average salaries and wages	2.6% increase	2.6% increase	2.6% increase	2.6% pa increase.
Change in total earnings (salaries, wages and self-employment income)	3.7% increase	3.7% increase	3.7% increase	3.7% pa increase, average annual increase of \$104 million.
Change in total GDP and per capita GDP	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% GDP 0.6% per capita	1.8% average annual increase in total GDP. 0.6% average annual increase in per capita GDP.
Estimated population change - 65 years and over population (for demographic monitoring)	1,350 increase 530 increase	1,350 increase 530 increase	1,350 increase 530 increase	1,350 population increase pa, 1.2% average increase pa. Estimated 530 population increase pa, 3.3% pa.
Net overseas migration	660 gain	660 gain	660 gain	660 average annual net migration gain.
Spend by visitors in Manawatū region (domestic and international)	5.7% increase	5.7% increase	5.7% increase	5.7% pa increase, average annual increase of \$22 million.
Number of visitor nights in Manawatū region	1.6% increase	1.6% increase	1.6% increase	1.6% pa increase.
Change in MSD benefit numbers	1.6% decline	1.6% decline	1.6% decline	1.6% pa decline, average annual decline of 130 people.
Reputation of Manawatū / Palmerston North as a great place to live and do business**	1% increase	1% increase	1% increase	3% increase over 3 years.

*excludes any annual inflation increase

**as measured by UMR Research compiled 3 yearly, first measured 2016

About CEDA

The Central Economic Development Agency (CEDA) is a Limited Liability Company incorporated and registered under the Companies Act 1993. CEDA commenced full operations in September 2016 and is a Council controlled organisation jointly owned by the Palmerston North City Council (50%) and the Manawatū District Council (50%).



CEDA's Purpose and Principal Activities

The primary objective of CEDA is to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond. CEDA's principal activities are directed by its Statement of Intent for the current year.

CEDA's Constitution Objectives

- (a) The principal objectives of the Company are to achieve the objectives of the Shareholders, both commercial and non-commercial as specified from time to time in the Statement of Intent and, in particular, to drive and facilitate the creation and growth of economic wealth for Manawatū and beyond;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when reasonably able to do so.

CEDA's Structure and Governance

The Board of up to seven (currently six) independent directors is responsible for the strategic direction and control of CEDA's activities.

The Board guides and monitors the business and affairs of CEDA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Company's Constitution and this Statement of Intent.

The Board's approach to governance is to adopt "good practice" with respect to:

- the operation and performance of the Board
- managing the relationship with the Chief Executive
- being accountable to all shareholders and reporting to the Joint Strategic Planning Committee of Manawatū District Council and Palmerston North City Council

The Chief Executive Officer is responsible for the day-to-day operations of CEDA, engaging and oversight of staff and reporting to the directors on performance against CEDA's objectives.





Financial Performance

Central Economic Development Agency Limited Group Statement of Comprehensive Revenue & Expense

For the 6 Months to December

Account	Notes	Jul-Dec 2019 (Unaudited)	Jul-Dec 2018 (Unaudited)	30 Jun 2020 (SOI)	30 Jun 2019 (Audited)
Revenue					
Council Funding	4	1,254,866	1,311,003	2,453,453	2,606,598
Other Services Revenue		328,947	393,750	605,927	777,772
Project Revenue		76,000	171,383	274,107	525,785
Total Revenue		1,659,813	1,876,136	3,333,487	3,910,155
Cost of Sales					
Other Services Expenses		440,182	419,276	714,369	944,380
Project Expenses		260,384	267,716	634,125	773,327
Total Cost of Sales		700,566	686,993	1,348,494	1,717,707
Gross Surplus (Deficit)		959,247	1,189,143	1,984,993	2,192,448
Other Revenue					
Interest Revenue		5,103	9,615	18,024	20,348
Sundry Revenue		420	373	0	1,677
Total Other Revenue		5,523	9,988	18,024	22,025
Expenses					
Depreciation		7,272	13,071	28,090	26,170
Directors' Fees		90,000	90,000	180,000	180,000
Employee Expense	5	756,665	834,534	1,564,689	1,718,255
Financing Expenses		235	410	500	825
Loss on Sale of Property Plant and Equipment		3,388	0	0	0
Other Operating Expenses	6	255,139	189,421	325,726	377,903
Total Expenses		1,112,698	1,127,435	2,099,005	2,303,152
Surplus (Deficit) Before Taxation		(147,928)	71,696	(95,988)	(88,678)
Taxation					
Income Tax Expense	7	0	20,075	0	0
Total Taxation		0	20,075	0	0
Surplus (Deficit) after tax		(147,928)	51,621	(95,988)	(88,678)

Financial Performance

Central Economic Development Agency Limited Group Statement of Comprehensive Revenue & Expense

For the 6 Months to December

Account	Jul-Dec 2019 (Unaudited)	Jul-Dec 2018 (Unaudited)	30 Jun 2020 (SOI)	30 Jun 2019 (Audited)
Other comprehensive revenue and expense				
Items that could be reclassified to surplus (deficit)	0	0	0	0
Total Other comprehensive revenue and expense	0	0	0	0
Total comprehensive revenue and expense				
Total comprehensive revenue and expense	(147,928)	51,621	(95,988)	(88,678)
Total comprehensive revenue and expense attributable to:				
Palmerston North City Council	(73,964)	25,811	(47,994)	(44,339)
Manawatū District Council	(73,964)	25,811	(47,994)	(44,339)
Total comprehensive revenue and expenses	(147,928)	51,621	(95,988)	(88,678)

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2018 are due to adjustments as part of the year end process.

Income tax expense for December 2018 calculated prior to end of year changes resulting in a reduced tax expenses in December 2018 to a total of \$20,075.

Financial Performance

Central Economic Development Agency Limited Group Statement of Financial Position

As at 31 December

Account	Notes	31 Dec 2019 (Unaudited)	31 Dec 2018 (Unaudited)	30 Jun 2020 (SOI)	30 Jun 2019 (Audited)
Assets					
Current Assets					
Cash and Cash Equivalents	8	938,323	1,195,955	994,525	1,294,901
Receivables and Accruals	9	155,238	173,466	144,103	317,102
Prepayments		17,212	5,757	11,379	21,948
Inventories	10	0	13,721	13,721	10,140
Total Current Assets		1,110,773	1,388,899	1,163,728	1,644,091
Non-Current Assets					
Property, Plant and Equipment	11	39,814	91,729	79,774	78,631
Total Non-Current Assets		39,814	91,729	79,774	78,631
Total Assets		1,150,587	1,480,628	1,243,502	1,722,722
Liabilities					
Current Liabilities					
Payables and Deferred Revenue	12	310,086	300,942	230,454	654,009
Provisions		0	0	0	60,000
Employee Entitlements		56,746	55,419	55,419	49,877
Other Current Liabilities		0	52,286	52,286	27,153
Total Current Liabilities		366,832	408,647	338,159	791,039
Total Liabilities		366,832	408,647	338,159	791,039
Net Assets		783,755	1,071,982	905,343	931,683
Equity					
Contributed Capital	13	1,000	1,000	1,000	1,000
Retained Earnings		782,755	1,070,982	904,343	930,683
Total Equity		783,755	1,071,982	905,343	931,683

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2018 are due to adjustments as part of the year end process.

Financial Performance

Central Economic Development Agency Limited Group Statement of Changes in Equity

For the 6 Months to December

Account	Jul-Dec 2019 (Unaudited)	Jul-Dec 2018 (Unaudited)	30 June 2020 (SOI)	30 Jun 2019 (Audited)
Equity				
Opening Balance	931,683	1,020,361	1,000,331	1,020,361
Increases				
Total comprehensive revenue and expense for the period	(147,928)	51,621	(95,988)	(88,678)
Total Increases	(147,928)	51,621	(95,988)	(88,678)
Total Equity	783,755	1,071,982	905,343	931,683
Total comprehensive revenue and expense attributable to:				
Palmerston North City Council	(73,964)	25,811	(47,994)	(44,339)
Manawatū District Council	(73,964)	25,811	(47,994)	(44,339)
Total comprehensive revenue and expense	(147,928)	51,621	(95,988)	(88,678)

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2018 are due to adjustments as part of the year end process.

Financial Performance

Central Economic Development Agency Limited Statement of Cash Flows

For the 6 Months to December

Account	Jul-Dec 2019 (Unaudited)	Jul-Dec 2018 (Unaudited)	30 June 2020 (SOI)	30 Jun 2019 (Audited)
Cash Flows from Operating Activities				
Receipts of council funding	1,304,866	1,386,003	2,968,187	2,772,007
Interest received	3,763	6,957	18,024	14,618
Receipts from other operating activities	596,665	789,750	907,985	1,601,413
Income tax refunded/(paid)	(15,106)	(8,282)	17,811	(23,388)
GST	23,863	21,428	(219,263)	(8,046)
Payments to suppliers and employees	(2,269,594)	(2,152,532)	(3,570,162)	(4,213,920)
Finance costs	(235)	(410)	(500)	(825)
Total Cash Flows from Operating Activities	(355,778)	42,914	122,082	141,860
Cash Flows from Investing Activities				
Proceeds from sales of property, plant and equipment	28,157	0	0	0
Payment for property, plant and equipment	(28,157)	(27,925)	(34,500)	(27,925)
Total Cash Flows from Investing Activities	0	(27,925)	0	(27,925)
Net Cash Flows	(355,778)	14,989	87,582	113,935
Cash Balances				
Cash and cash equivalents at beginning of period	1,294,901	1,180,967	906,943	1,180,967
Cash and cash equivalents at end of period	939,123	1,195,955	994,525	1,294,901
Net change in cash for period	(355,778)	14,989	87,582	113,935

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

Variations on comparatives from the previous Half Yearly Report, December 2018 are due to adjustments as part of the year end process.



Notes to Accounts

Accounting Policies

1. Reporting Entity

Central Economic Development Agency Ltd (CEDA) was established and commenced operations in New Zealand on 15 October 2015 under the Companies Act 1993 (NZBN 9429042001096). As the shareholders of CEDA are Palmerston North City Council (50%) and Manawatu District Council (50%) CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002.

CEDA has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of CEDA are for the 6 months ended 31 December 2019.

2. Statement of Accounting Policies

Basis of Preparation

The financial statements are prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period, unless otherwise stated.

Statement of Compliance

The financial statements of CEDA have been prepared in accordance with the requirements of the Local Government Act 2002, the Companies Act 1993, and the Financial Reporting Act 2013. This includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS) Reduced Disclosure Regime (RDR). CEDA is eligible and has elected to report in accordance with Tier 2 PBE standards RDR on the basis the entity has no public accountability and has expenses > \$2m and < \$30m.

Presentation Currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

Historical Cost

These financial statements have been prepared on a historical cost basis.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to Accounts

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured. Specific accounting policies for significant revenue items are explained below:

Sales of goods are recognised when the goods are sold to the customer.

Sales of services are recognised in the period by reference to the stage of completion of the services delivered at balance date as a percentage of the total services to be provided.

Lease revenue is recognised on a straight-line basis over the life of the lease.

Interest received is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest method.

Grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Donated assets. Where a physical asset is gifted to or acquired by CEDA for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received.
- For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

Inventories

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus (deficit) in the period of the write-down.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Notes to Accounts

Depreciation

Account	Method	Rate
Leasehold Improvements	Diminishing Value	10% - 40%
Office Furniture & Equipment	Diminishing Value	0% - 67%
Office Furniture & Equipment	Straight Line	10.5%
Plant & Equipment	Diminishing Value	10% - 20%
Vehicles	Diminishing Value	30%
Websites	Straight Line	40%

From 1 July 2018 all Office Furniture and Equipment purchases (excluding computer/IT equipment) has been depreciated using the straight line method of depreciation to better represent the reduction of the value of these assets over their useful life. This change will apply to all purchases of Office Equipment and Furniture (excluding Computer equipment) in future accounting periods.

As this change is a change in accounting estimates, no changes have been made to previously purchased assets in prior financial years, or the depreciate method on these assets in the current or future years.

Income Tax

Income tax expense includes components relating to current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Notes to Accounts

Receivables

Receivables are recorded at their face value, less any provision for impairment.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and receivables

Impairment is established when there is evidence CEDA will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits or bonds are recognised directly against the instrument's carrying amount.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Payables

Short-term creditors and other payables are recorded at their face value.

Equity

Equity is the shareholders' interest in CEDA and is measured as the difference between total assets and total liabilities.

Good and Services Tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

Notes to Accounts

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as operating cash flow in the statement of cashflows.

Commitments and contingencies are disclosed exclusive of GST.

Employee Entitlements

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Short-term employee entitlements - Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date, and sick leave. These are classified as a current liability.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

CEDA does not provide for long service or retirement leave entitlements.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a obligation (either legal or

constructive) as a result of a past event, it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expenses and is included in 'finance costs'.

Leases - Where CEDA is the Lessee

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Critical accounting estimates and assumptions

In preparing these financial statements CEDA has made judgements, estimates and assumptions concerning the future.

These judgements, estimates and assumptions may differ from the subsequent actual results. Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Notes to Accounts

- Useful lives and residual values of property, plant, and equipment – refer to Note 11.
- Fair value of property, plant and equipment – refer to Note 11.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Funding received – refer to Note 4.

3. Subsidiaries

CEDA consolidates in the group financial statements all entities where CEDA has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where CEDA controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by CEDA or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

CEDA has the power to appoint 100% of trustees of the Events Manawatū Trust. The consolidation of the Events Manawatū Trust into CEDA's financial statements has resulted in no change to the reported financial statements.

	Jul-Dec 2019	Jul-Dec 2018
4. Council Funding		
Palmerston North City Council	(958,910)	(1,000,004)
Manawatū District Council	(295,956)	(311,000)
Total Council Funding	(1,254,866)	(1,311,003)

Project income, as disclosed in the Statement of Comprehensive Revenue and Expense, includes income from Council's specifically received for project or other services delivery. This income is not included in Council Funding income.

Council Funding included in Project Revenue		
Palmerston North City Council	43,334	27,521
Manawatū District Council	6,666	4,234
Total Council Funding included in Project Revenue	50,000	31,755

Critical judgements in applying accounting policies - funding received

CEDA must exercise judgement when recognising project revenue to determine when conditions of the funding contract have been satisfied. As at 31 December 2019 nil (2018: \$43,245) has been recognised as a liability as the conditions attached to the receipt of this funding have not yet been met.

Notes to Accounts

	Jul-Dec 2019	Jul-Dec 2018
5. Employee Expenses		
Salaries and wages	737,347	810,408
Employer contribution to Kiwisaver	17,991	20,525
Movement in employee entitlements	1,327	3,600
Total Employee Expenses	756,665	834,534
6. Other Operating Expenses		
Fees to Audit New Zealand for the audit of the financial statements	9,986	9,836
Consultants and legal fees	7,787	8,011
Other operating expenses	237,366	171,573
Total Other Operating Expenses	255,139	189,421
7. Income Tax Expense		
Net Profit (Loss) Before Tax	(147,928)	71,696
Tax at 28%	20,145	57,085
Plus (less) tax effect of:		
Non-deductible expenditure	0	0
Non-taxable income	0	0
Tax loss not recognised	41,240	0
Deferred tax adjustment	0	0
Tax expense	0	20,075
Change in 2018 comparative tax amount - Income tax expense for December 2018 was previously calculated prior to end of year audit changes resulting in a reduced tax expenses in December 2018 of \$20,075.		
Components of tax expense		
Current year	0	20,075
Deferred tax	0	0
Total Deductions from Tax Payable	0	20,075

Notes to Accounts

	Jul-Dec 2019	Jul-Dec 2018
8. Cash and Cash equivalents		
CEDA Current Account	160,521	113,685
CEDA Money Market Account	700,000	1,000,000
CEDA Trust Account	77,802	81,471
i-SITE Petty Cash	0	800
Total Cash and Cash equivalents	938,323	1,195,955
9. Receivables and Accruals		
Accounts Receivable	91,754	133,418
Less: Provision for impairment	0	0
Income Tax	52,465	0
Accrued Interest	19	48
Funding Accruals	11,000	40,000
Total Receivables and Accruals	155,238	173,466
Total Receivables and Accruals Comprise		
Receivables from exchange transactions	39,742	67,348
Receivables from non-exchange transactions	115,496	106,406
Total Receivables and Accruals Comprise	155,238	173,754
10. Inventory		
i-SITE Retail Stock	0	13,721
Total Inventory	0	13,721

No inventories are pledged as security for liabilities.

The operations of the i-SITE were transferred to Palmerston North City Council from 1 October 2019.

Notes to Accounts

11. Property, Plant & Equipment

	Opening Value	Accum Depn	Carrying Amount	Additions	Disposals	Depn	Closing Value	Accum Depn	Carrying Amount
Leasehold Equipment	19,093	6,068	13,025	0	5,721	477	13,372	4,023	6,827
Office Furniture & Equipment	71,956	41,446	30,510	0	7,376	2,127	64,581	25,533	21,007
Plant & Equipment	26,257	7,809	18,448	0	18,448	0	7,809	0	0
Vehicles	20,382	12,892	7,490	0	0	1,124	20,382	14,015	6,367
Websites	17,725	8,568	9,158	0	0	3,545	17,725	12,113	5,613
Total	155,414	76,783	78,631	0	31,545	7,272	123,869	56,684	39,814

There are no restrictions on title of CEDA's property, plant and equipment. No property, plant and equipment has been pledged as securities for liabilities.

The operations of the i-SITE were transferred to Palmerston North City Council from 1 October 2019.

All i-SITE assets were sold as part of the transfer.

Jul-Dec 2019 Jul-Dec 2018

12. Payables and Deferred Income

Accounts Payable	145,924	44,529
Accruals General	120,350	142,992
Funding in Advance	373	10,582
Funding in Advance - Major Events Fund	0	0
Funding in Advance - NZ AgriFood Week	0	43,245
Funding in Advance - International Education	0	0
GST	39,893	52,877
Income Tax	0	2,263
Operations Credit Card	3,545	4,454
Total Payables and Deferred Income	310,086	300,942

Total Payables and Deferred Income Comprise

Payables under exchange transactions	106,187	71,229
Payables under non-exchange transactions	203,899	229,713
Total Payables and Deferred Income Comprise	310,086	300,942

Notes to Accounts

	Jul-Dec 2019	Jul-Dec 2018
13. Equity		
Share Capital		
Opening Balance	1,000	1,000
Total Share Capital	1,000	1,000
Retained Earnings		
Opening Balance	930,683	1,019,361
Current Year Earnings	(147,928)	51,621
Total Retained Earnings	782,755	1,071,982
Total Equity	783,755	1,702,982

Each fully paid ordinary share confers on the holder one vote at a meeting of the company, a share in distributions approved by the Directors, and a share in distribution of the surplus assets of the company on dissolution.

At balance date there were 1,000 shares on issue.

14. Key personnel compensation

	2018	2017
Directors		
Remuneration	90,000	90,000
Full-time equivalent members	6	6

Due to the difficulty in determining the full time equivalent for Directors the full time equivalent figure is taken as the number of Directors.

15. Related Parties

CEDA is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. As per the constitution the shareholders of CEDA being Palmerston North City Council and Manawatū District Council, are responsible for the appointment of the Board of Directors.

All transactions conducted with related parties, other than as detailed below, have been under normal supplier/client relationship terms and at arm's length.

Revenue

Westpac is naming sponsor of the Manawatū Business Awards, Malcolm Bailey and Sue Foley are Directors of Westpac. Money was received for sponsorship of the awards. GST Inclusive.	0	28,750
Total Revenue	0	28,750

Notes to Accounts

	Jul-Dec 2019	Jul-Dec 2018
Accounts Receivable		
Westpac	0	28,750
Total Accounts Receivable	0	28,750

16. Financial Instruments

Financial Assets		
Loans and Receivables		
Accounts Receivable	91,754	133,706
Accrued Interest	19	48
Cash and cash equivalents	938,323	1,195,955
Funding Accruals	11,000	40,000
Total Loans and Receivables	1,041,096	1,369,709
Total Financial Assets	1,041,096	1,369,709

Financial Liabilities

Financial Liabilities at amortised cost		
Payables	(257,248)	(247,222)
Unsettled Tickets	0	(52,286)
Total Financial Liabilities at amortised cost	(257,248)	(299,508)
Total Financial Liabilities	(257,248)	(299,508)

17. Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Operating leases as lessee		
Not later than one year	50,084	128,013
Later than one year and not later than five years	0	49,177
Later than five years	0	0
Total non-cancellable operating leases	50,084	177,190

The i-SITE operations were transferred to Palmerston North City Council effective 1 September 2019. Prior to the transfer the i-SITE building was leased from the Palmerston North City Council.

The office space located at Level 1, 478 Main Street, Palmerston North, has a lease term to June 2020. The current conditions are a monthly lease charge with a notice period of 3 months.

18. Events after balance date

There are no significant events after balance date.



Partner Organisations

Current partner organisations that CEDA works with:

Local

Feilding and District Promotions
FoodHQ
IPU New Zealand
Lamberts
Manawatū Chamber of Commerce
Manawatū District Council
Manawatū Standard
Manfeild
Massey University
MediaWorks
National Driver Training Centre
Palmerston North City Council
Palmerston North Airport
Regional Schools
Spearhead Manawatū
Sport Manawatū
Talent Central
Te Au Pakihi
Te Manawa
The Factory
UCOL
Venues and Events Palmerston North

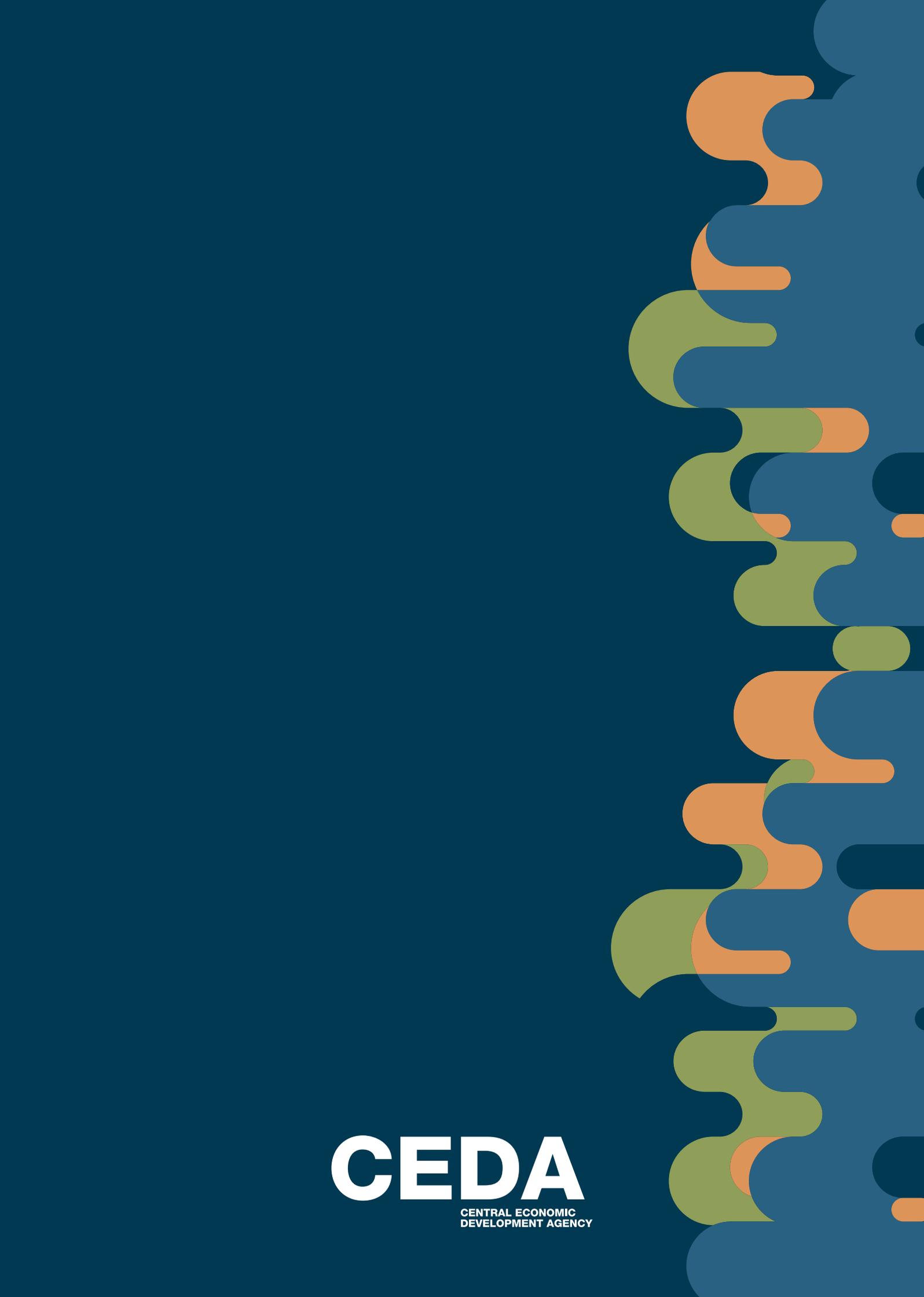
Regional

Accelerate 25
Te Pae Tawhiti
Business Central and Export NZ
Horizons Regional Council
Horowhenua and Company
Horowhenua District Council
Ruapehu District Council
Rangitikei District Council
Tararua District Council
Te Mana Atatu
Whanganui and Partners
Whanganui Chamber of Commerce
Whanganui District Council

National

Air New Zealand
ASB
Business Mentors New Zealand
Callaghan Innovation
Conventions and Incentives New Zealand
Economic Development New Zealand
Education New Zealand
Immigration New Zealand
i-SITE New Zealand
Ministry of Business, Innovation & Employment
Ministry of Social Development
New Zealand Events Association
New Zealand Trade and Enterprise
New Zealand Media and Entertainment
New Zealand Motor Caravan Association
Regional Tourism New Zealand
Regional Business Partners Network
Regional Tourism Organisations New Zealand
Stuff
Tourism New Zealand
Westpac





CEDA
CENTRAL ECONOMIC
DEVELOPMENT AGENCY